

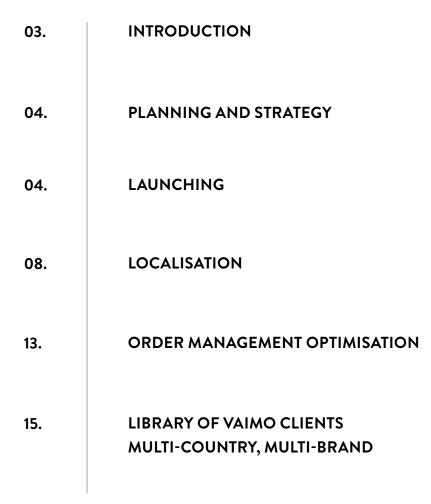


### eBook

# THE ULTIMATE GUIDE TO INTERNATIONAL ECOMMERCE

Sell Across Multiple Countries

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### INTRODUCTION

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Digital commerce has taken centre stage after the COVID-19 pandemic forced commerce to adapt to a contactless world. According to the <u>US Department of Commerce</u>, consumers spent \$861.12 billion online with US merchants in 2020, which amounts to a 44% increase year over year.

This fundamental shift has pushed both B2C and B2B commerce to speed up their adoption of digital **initiatives**. A recent report by <u>McKinsey</u> found that across regions, there was a seven-year acceleration in the adoption of digital products and services.

The pause in international travel and increased online activity have made digital commerce the best way to sell across borders. Even before COVID-19, there were obvious benefits to international eCommerce. According to a 2018 study by <u>Statista</u>, cross-border sales were already projected to take up 22% of all eCommerce sales in 2022. With the accelerated growth of digital commerce, this figure will be even higher. Therefore, the investment in a multi-country eCommerce site can pay off with the ability to sell across borders without a robust physical presence in the target market. Despite the obvious benefits, do you know how to get started in international eCommerce?

In this eBook, we will discuss international eCommerce. First, we will define the term, and then we will discuss the different phases and specific factors to consider when entering new markets.

### WHAT IS INTERNATIONAL ECOMMERCE?

International eCommerce occurs when a business sells or markets its products to customers in foreign countries through a website or digital channel.

### FOUR KEY AREAS TO CONSIDER BEFORE YOUR LAUNCH

Various considerations arise in the area of international eCommerce. The entire process can be split into four parts:

- Planning and Strategy
- Launching
- Localisation
- Optimisation

In this guide, we will discuss the major things to consider during each part of the internationalisation process.

# PLANNING AND STRATEGY

#### **Digital Strategy Roadmap**

Irrespective of your plans for international eCommerce, launching an eCommerce site still calls for long-term planning and decision-making. Without a roadmap, your eCommerce project teams can get stuck in the daily grind of backlog items rather than tasks that achieve KPIs and overall goals.

A crucial part of international eCommerce is conducting market research on new locations. If you are unsure which countries to target next, you can opt for a global site and monitor where you traffic is coming from. You could also pay attention to which online marketplaces and third-party vendors are having success with your product. They can then expand into the countries where their products are sold by using your own channels.

Metrics and KPIs also should be set based on the maturity of your target markets. Therefore, your activities in each country will vary: You might focus on brand and awareness in a new market while focusing on conversion in one of your core markets. The difference also means that teams—especially small teams—need to think ahead about managing metrics and KPIs when expanding into new markets through eCommerce.

# LAUNCHING

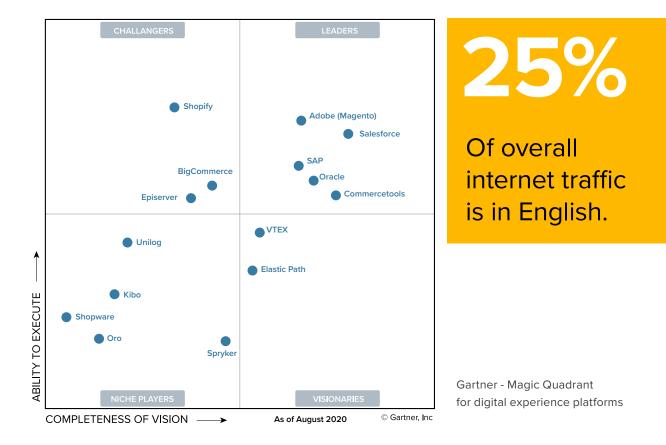
Your system architecture will affect your international eCommerce launch. The technical roll-out consists of applying the site's architecture and strategy, e.g. what location(s) will host your site, how the store views are set up, and how the sites are set up on the eCommerce platform.



### THE ECOMMERCE PLATFORM

Ecommerce platforms play a big role in your ability to manage multiple stores and multiple country sites. Popular platforms are Adobe Commerce, SAP Commerce Cloud, Salesforce Commerce Cloud, Oracle Commerce, commercetools, Episerver, Shopify Plus, etc. Ecommerce platforms such as Adobe Commerce, a Gartner market leader, is the industry front-runner in catering to enterprise platforms.

With internationalisation, many platforms will limit your possibilities to add new markets and unify your customer experience across them. This challenge leads some companies to switch platforms entirely to ensure that their international expansion is successful.



Adobe Commerce is the choice for many companies that intend to sell online across borders. Ecommerce managers can control attributes such as price, size, and product description for an item across multiple store views. This feature allows companies to acknowledge the individual peculiarities of each market while also maintaining a global image for their brand.

One key factor is whether the company has a local or global group of marketers. Based on this point, they should consider having a single platform as it makes more sense to manage all content from one central location. Without a single platform, your team might end up working through hundreds of different product category pages across platforms, wasting time and increasing the likelihood of mistakes.

As teams expand internationally, the issue of managing a global marketing team is reflected in the choice of best-of-breed versus all-in-one technology. Recently, marketers are beginning to favour suites over point solutions. For example, <u>59% of marketers</u> preferred marketing suites compared to 36% who chose the best-of-breed solution. Companies often select the more prominent industry players, such as Adobe and Salesforce, which are well-known and offer a comprehensive martech stack.

Adobe Experience Cloud provides one platform with all the tools already included. Tools such as Adobe Target, Adobe Experience Manager, and Marketo work in unison to give you insight, content, engagement, and more. This suite of tools eliminates the need for more integrations with third-party tools.

### **RECEIVING PAYMENTS**

Another thing to take into account when considering international expansion is the diverse payment solutions across countries. According to <u>Statista</u>, eCommerce shoppers across the globe pay for items across twelve payment options:

- Digital/Mobile Wallet
- Credit Card
- Debit Card
- Bank Transfer
- Cash on Delivery
- Charge & Deferred Debit Card
- Buy Now Pay Later
- Direct Debit
- Pre-paid Card
- PostPay
- PrePay

While 44.5% of global digital transactions occur through a digital or mobile wallet, consumer choices begin to diverge when we look at certain countries. Specific options, such as Buy Now Pay Later, are negligible in every location except for Europe, where they make up 7.4% of all eCommerce transactions. Then, there's Cash On Delivery which takes up over 16% of eCommerce transactions in the MENA region. For this reason, payment methods are important to consider when beginning to sell in a new market and giving customers a digital commerce experience tailored to their desired payment methods.

When you consider payment gateways and processors, things get a little more complicated. A survey by <u>Insight Intelligence</u> on the usage of online payment services in Sweden noted that 84% of respondents used Klarna and 94% used Swish. They vastly outperformed Paypal, a widely used online payment service in the United States. This statistic serves as an excellent example of researching your target market's digital behaviour and payment habits beforehand.

To capture a larger percentage of shoppers in a new market, ensure that you offer the payment services they know. Moreover, make sure that payment options do not charge higher prices for cross-border transactions, as is the case with Amazon Pay. Considering the different payment options is crucial in providing a great customer experience when expanding to new markets.

### TAXES AND LEGAL QUESTIONS

Each country is going to have various tax regimes and legal obligations to adhere to. Even within countries, the laws and taxation can differ, for example, between the different states in the United States.

With tax regulations, you have to pay attention to the region as well as the country. For example, if you intend to sell in MENA countries, you will have to pay taxes and apply for a taxation number across countries upon going over a certain threshold.

It is also essential to be aware of the specific laws in each country and prepare for the legal issues surrounding your company if you make an error. For instance, the acceptance of cookies in the US and Europe differ greatly. Laws also vary by industry, such as in the area of pharmaceuticals and alcohol.

### PRICES AND CURRENCIES

Currencies lie at the heart of cross-border transactions—how you choose to conduct transactions play an important role in the overall success of your company's global expansion.

Does your site display the currency your shopper uses every day, or does it offer multiple views for the client to see the most accurate price for your products upon entering the site?

Of course, there is a difference between displaying your products in multiple currencies and taking the currency shoppers are using on your site. You can combine both to not only display your site in the local currency, but you as the merchant can receive the payment in your desired currency.

With an eCommerce solution, you can set your base currency to ensure that you receive payments in the currency of your choice. This means you accept payments in your chosen currency while clients in different countries can still shop and see prices displayed in their local currency without any issues.

Similar to a foreign language, showing a price in a different currency is equally confusing for a new customer visiting your site. Not only will customers be forced to work out the price conversion themselves, but showing a different currency will create a disconnect between your brand and the potential customer. It will affect your site's perceived trustworthiness and display a lack of understanding that your business has of this new market. These factors hinder the overall customer experience on your site.



# LOCALISATION

Localisation, in its many forms, provides the key to long-term development in new markets. At this point, you have probably already dipped your toes into certain aspects of localisation, such as payment methods, currencies, and getting the product to your customers. In this stage, you will start to dive even deeper into what your local shoppers need.

Are you going to localise your eCommerce team or manage countries with one large, global team? This decision is partially defined during the initial eCommerce strategy roadmap. But things might change as your site starts to gain traction in secondary markets. For instance, putting your team in Belgium after seeing a chunk of sales going there might make sense from a cultural and linguistic perspective, but it's costly to have a local team.

In addition, local and global teams may struggle to get on the same page with a single roadmap and having to balance priorities. There's always going to be lots of eCommerce related functions that your local markets want. You should keep it standardised. If each market has a different setup—everything from the website structure to customer service to returns—this can make it even more difficult to get ROI on what you're spending.

Vaimo's strategy and consulting team is happy to help and support you with your eCommerce strategy roadmap, don't hesitate to <u>contact your closest Vaimo office</u>.



### CONTENT MANAGEMENT

Content management represents a significant issue when overseeing a multi-country eCommerce site. According to the <u>Content Marketing Insitute</u>, only 16% of marketers believe they possess the right technology and education to manage their content across their organisation. This issue becomes even more problematic when considering local and global responsibilities for marketing efforts.

Content management gives you the chance to craft your message to fit with new countries and regions. Holidays differ by country. As they often encourage gift-giving, it's essential to make sure your international eCommerce is prepared for this influx of traffic. When conducting business in the MENA region, your site needs to appeal to Muslim shoppers and consider that Ramadan, not Black Friday, is the most important shopping holiday. Therefore, content needs to be managed, and specific campaigns launched to take advantage of your global presence to the greatest extent.

The complexity of multi-country sites grows with the countries in which you choose to sell. Large global teams often produce more content than local teams. This disparity in content leaves local teams with the difficult task of deciding which content to translate and how to translate the initial message to a local audience.

One way of solving this problem is by centralising your assets to be streamlined so that everyone is working from the same platform. This way, your local teams are more involved with the global level content, localising it faster and more efficiently.

Core pages also need to be carefully considered. The core of the page cannot be too specific: It should convey information that can be easily changed across countries. Otherwise, you could get stuck in a local context.

A way to alleviate the complexity of your content management is to adopt a solution, such as Adobe Experience Manager, to ensure that your content can be organised and managed and published across numerous sites efficiently.



### LANGUAGE AND CULTURAL PREFERENCES

Understanding cultural and local needs is a fundamental part of delivering on your localisation initiative. If you plan to target five new markets, you need to think about the specific display and messaging on your site in all five locations.

If you expect your English language website to cover all the bases as you open your doors to international customers, then you might be missing out on sales. The latest research shows that <u>English represents just</u> <u>25%</u> of overall internet traffic. So, this means the English site is inaccessible to a whopping 75% of global internet users.

You can use design to better connect with your different target audiences. Is there an upcoming national event or holiday in a region that you can point towards to connect with your audience? At the very least, you should ensure that the basics are addressed: local contact details and customer service options based on the time zone of the particular region.

Each new language offers a new challenge to your site design. For example, even word length and word structure varies can affect the look and feel. Let's take the word *zipper* as an example. Six characters in English, 17 in French (la fermeture éclair), and 4 in Japanese ( $\Im nn nn$ ). You can begin to see how translations can affect the layout of your site. With each page, your team will face new challenges. So it is important to build extra time into the project.

### **LOCATION & GEO-IP**

Geo-IP indicates the storefront your client will see based on the client's IP address, and the local site will automatically open without having drop-downs by language and country.

IP geolocation and geo-targeting support your overall localisation strategy. It makes your store as accessible as possible to new audiences. By automatically determining the location of your visitors, it then shows them the relevant content, prices, language, etc. This has a direct positive impact on the user experience, removing extra steps and allowing for a quicker and more efficient visit to your site.

Your country switcher needs to be thought through to prevent friction for your customers. When a customer chooses a location on the country switcher, what are they choosing—language, content, currency, current location, shipping destination? Again, you want to lessen the amount of friction, so you'll want minimal options—just one choice on the country switcher, which represents where someone shops from and where they want the delivery made.

### PRODUCT INFORMATION MANAGEMENT

Expanding into new locations and sales channels will result in a considerable product data increase. Product information needs to be adapted to take full advantage of your journey into international eCommerce. In 2018, eMarketer conducted a poll where 83% of respondents indicated that product photos are an essential part of their purchasing decision, while 82% indicated that product descriptions are critical to their purchasing decision. Both require getting a hold of your product information and adapting the images and product descriptions to fit specific countries.

Many companies select a product information management (PIM) solution to quickly and efficiently scale their business. The introduction of each new channel or location brings new manual tasks and costs due to the product attributes that must be translated. In short, it becomes messy and overwhelming. With all information under one roof, you will benefit from many automated processes, such as product content translation, and be in a much stronger position to take products to market at speed.

#### The problems that a PIM system solves in international eCommerce:

#### Adding New Products across New Markets

One source of truth and hub for your product information and catalogues will help you expand your products quickly to new markets and channels.

#### • Challenges with Customisation and Localisation

After entering a new market, it's imperative to give customers rich product content that attracts them to your brand and offers descriptions that satisfy their needs.

#### Improve the Go-to-market Speed

When operating in various markets, creating and launching new products and seasonal offers is critical. A PIM solves this problem by allowing you to quickly update and improve information around multiple sites without getting lost in spreadsheets.

A PIM will allow your business to be more agile and more proactive. In the end, PIM equips your business to offer a greater number of products and locations, maximising the potential for growth in the process.

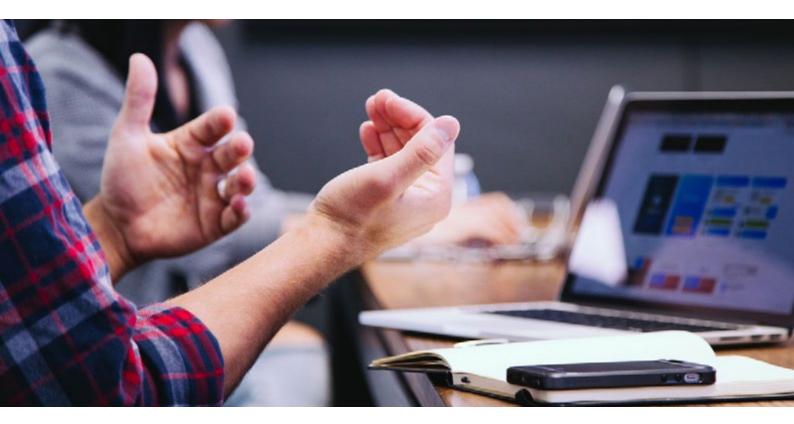


### LOCALISED CUSTOMER SERVICE

According to <u>Microsoft</u>, 95% of customers believe that customer service is essential to brand loyalty. The most important part of localising customer service is giving your customers a guarantee that their problems are understood. That often means hiring someone who understands both the language and the topic being discussed. When entering a new market, it is important to your success to ensure that you are available to your customers.

Similar to the statistics of payment methods by country, shoppers also use different ways of contacting customer service. A study by <u>Statista</u> showed that they prefer six different kinds of communication at various levels depending on the country. For Instance, 57% of German respondents preferred phone or voice communication while only 33% of Brazilian respondents preferred phone or voice. This statistic illustrates the need of understanding the local context.

Some companies choose to maintain a presence on all of these customer service channels. And, again, this brings forth a problem of maintaining conversations through talk, text, knowledge bases, etc. Companies, such as Gorgias and Zendesk, provide a place for your team to monitor and assist specific shoppers through their entire customer journey to give the best customer experience.



Order management streamlines your customers' shopping experience across all sales and fulfilment channels. Moreover, order management requires that you truly understand your customers: what they need and how they get their orders. From capture to source and ultimately fulfilment, order management puts your customer at the centre of your operation at all times.

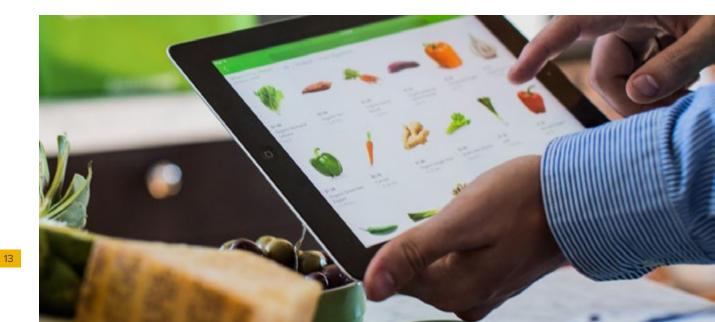
It offers end users a continuous shopping experience across all channels. In international eCommerce, it is vital to consider the flow of orders. This will depend on your presence and what warehouses you are using to keep your stock. Is the stock located in a different country or your core market?

For example, a company can certainly move forward to new European markets with one warehouse in the UK and Belgium. But to start in Dubai, they would need to put a warehouse and stock there, or they would need to figure out shipping and logistics routes. Both cost a lot of money. That's another big piece—you can plan eCommerce well, but it's important to think about getting the product to the customer.

In terms of deliveries and returns, you'll want to make it as local as possible, as fast as possible and as cheap as possible. Without doing so, competitors will capture the bulk of the market share. In this regard, research your target country and think about the options for localised distribution capabilities. You'll need to find a partner who can assist with navigating local regulations, fulfilment and dealing with returns. This will require some preparatory work and investigation but will be worth it in the long term.

Of course, you won't necessarily be able to compete with the big industry powerhouses on such things as speed and price. However, you can still work to provide the best customer experience possible. And by differentiating your brand through the experience you provide, you can add extra value in other ways to entice customers.

As your international eCommerce grows and expands into many new markets, order management can be a heavy lift for companies. In a intricate supply chain, you might have loads of variables, such as pre-orders, putting products on hold, and replacing items. Having multiple channels on a global scale can become very complex and requires an order management system (OMS).



Adopting new sales channels is also crucial to attract consumers in your new market. A <u>Harvard</u> study found that 73% of shoppers engage with brands via multiple channels. This number is only likely to grow as customers head online for at least one part of their customer journey. This phenomenon reflects a larger move towards omnichannel experiences where shoppers expect brands to meet them where they are and provide a similar experience across channels.

Your next move could be taking advantage of your brand's presence on social media to increase sales, as this may represent a well of untapped potential in your new market. For instance, <u>81% of shoppers</u> say that they research products on Instagram and Facebook before purchasing. Currently, Instagram and Pinterest provide the most relevant social commerce experiences for brands, but Facebook, Snapchat, and TikTok are all expanding their offerings.

Which social media platforms are most effective also varies by audience. For example, <u>Generation Z</u> does 2-3 times more shopping on social channels than the average consumer, preferring Instagram and Snapchat for social shopping. Conversely, Generation X favours shopping on Facebook.

For this reason, it is critical for brands embarking on a social eCommerce strategy to tap into detailed data on their target audiences. This audience gets further segmented when considering the country you are targeting. Either way, during optimisation, it is vital to expand where consumers can interact with your company.



### LIBRARY OF MULTI-BRAND, MULTI-COUNTRY CLIENTS

Vaimo has delivered eCommerce solutions to well-known B2C and B2B companies for 12+ years. We have unmatched expertise in helping businesses expand their eCommerce globally at every step of their journey, including selecting and implementing the right eCommerce platform, content management solution, PIM solution, order management solution, and payment solution providers.

As a full-service omnichannel solution provider, we also help many companies enter into digital commerce. Our services include strategy, UX design, development, support, hosting, optimisation, and helping our partners fine-tune and improve their processes along the way. Below is a list of multi-country, multi-brand companies Vaimo is helping to grow in digital commerce.

#### AGRICULTURE

Lantmännen Lantmännen Maskin Norra Horse Feed

#### **APPAREL & FASHION**

Helly Hansen Champion Björn Borg

#### **Skye Distribution**

Converse IBO Dickies

#### Luhta Sportswear Company

Luhta Brand Store Luhta.com Icepeak Rukka Torstai Ril's Your Face Luhta Home Dachstein

#### AVI Group

Spitz Shoes Kurt Geiger SA

#### **BUILDING MATERIALS**

BAUHAUS Sweden BAUHAUS Finland BAUHAUS Estonia BAUHAUS Norway BAUHAUS Czech

The Building Company (Pepkor Holdings)

#### **FOOD & BEVERAGE**

Jacobs Douwe Egberts L'Or Tassimo

Royal Unibrew Hartwall

#### RETAIL

Tallinna Kaubamaja Group Selver- groceries Kaubamaja- department store I.L.U.- beauty products ABC KING Shu

#### JD Group (Pepkor Holdings)

Everyshop Incredible Connection HiFi Corp Bradlows Rochester Russells Sleepmasters DOMU Brands VonShef VonHaus BTFY

Mr. Price Group Mr Price Mr Price Home Mr Price Sport Miladys Sheet Street

#### Elon

Elon Sweden Elon Norway

#### LSE Retail Group

Minisun Trade Valuelights Iconic lights

#### **SPORTING GOODS**

#### KJK

Tahe Sport Elan Skis

#### WHOLESALE

WEG (Würth Electrical Wholesale) W.EG. EESTI Elfetex spol. S r.o MEF s.r.l FEGA Poland sp. Z ENEXON Sp. z o.o. Gaudre UAB

### ABOUT VAIMO

Vaimo is one of the world's most respected experts in digital commerce. As a full-service omnichannel agency, we deliver strategy, design, development and managed services to brands, retailers and manufacturers all over the world.

Our sharp focus, broad experience and deep expertise within B2B, B2C, PIM, Order Management and ERP integrations makes us a key partner for driving success in digital commerce. Our 12+ years track record of technical excellence coupled with our proven results in helping our clients succeed with business development, digital strategy and customer experience design is proudly manifested in our status as an Adobe Platinum Partner.

With local offices in 15+ markets across EMEA, APAC and North America and over 500 employees, we provide an international presence that allows us to cultivate close, long-term relationships with our clients.

If you want to start or continue with your international eCommerce expansion and looking for an experienced partner to help you along the way, contact your closest Vaimo office <u>here.</u>

